

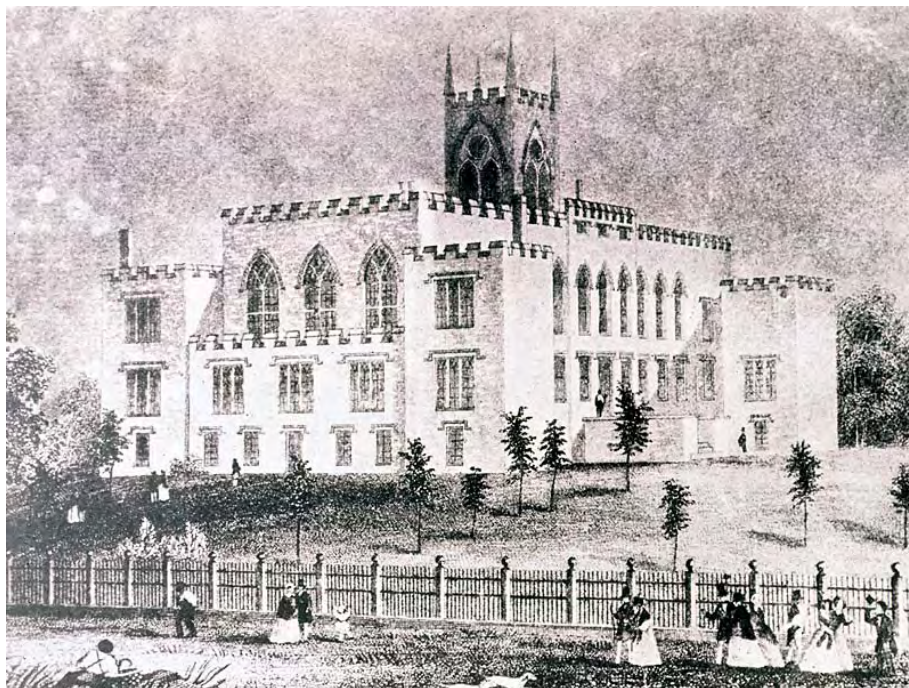
Northern Economic Annihilation: The True Cause of the War Between the States

by Gene Kizer, Jr.

The North cut off from Southern cotton, rice, tobacco, and other products would lose three fourths of her commerce, and a very large proportion of her manufactures. And thus those great fountains of finance would sink very low. . . . Would the North in such a condition as that declare war against the South?

Henry L. Benning
*Speech before the Georgia legislature
in Milledgeville November 19, 1860*

(This post is Chapter Three of my book, 'Slavery Was Not the Cause of the War Between the States, The Irrefutable Argument', available on this [website](#))



The cause of the war itself is not complicated -- the South seceded and the North immediately began a dramatic economic collapse.

Northerners quickly discovered that their great wealth and employment depended on the South -- on manufacturing for the South, on financing Southern agriculture, on shipping Southern commodities around the world. Cotton alone made up 60% of U.S. exports in 1860.

This was the era of the Pax Britannica and Great Britain ruled world trade, not the North. The North's biggest customer, by far, was the South.

Economic historian Philip S. Foner wrote extensively on business in the North. In his excellent book, ***Business & Slavery, The New York Merchants & the Irrepressible Conflict***, he explains with crystal clarity why the North quickly decided that war was preferable to economic ruin:

*It was also exceedingly logical that when all the efforts to save the Union peacefully had failed, the merchants, regardless of political views, should have endorsed the recourse to an armed policy. They had conducted their long struggle to prevent the dissolution of the Union because they knew that their very existence as businessmen depended upon the outcome. When they finally became aware of the economic chaos secession was causing, when they saw the entire business system crumbling before their very eyes, they knew that there was no choice left. **The Union must be preserved. Any other outcome meant economic suicide.**¹ (Bold emphasis added.)*

That was the choice the North was facing. Preserve the Union or face economic disaster which meant the collapse of the entire North into anarchy. Northerners were not concerned about slavery when their economic house was a raging inferno.

The most prominent economist of the antebellum era, Thomas Prentice Kettell, wrote a famous book entitled ***Southern Wealth and Northern Profits as Exhibited in Statistical Facts and Official Figures: Showing the Necessity of Union to the Future Prosperity and Welfare of the Republic***. He argued that Southerners were producing the wealth of the United States with cotton and other commodities but Northerners were taking all the profits. Kettell understood the extensive interaction between the two regions and the North's dependence on the South:

These transactions influence the earnings, more or less direct, of every Northern man. A portion of every artisan's work is paid for by Southern means. Every carman draws pay, more or less, from the trade of that section [the South]. The agents who sell manufactures, the merchants who sell imported goods, the ships that carry them, the builders of the ships, the lumbermen who furnish the material,

and all those who supply means of support to them and their families. The brokers, the dealers in Southern produce, the exchange dealers, the bankers, the insurance companies, and all those who are actively employed in receiving then distributing Southern produce, with the long train of persons who furnish them with houses, clothing, supplies, education, religion, amusement, transportation, etc., are dependent upon this active interchange, by which at least one thousand millions of dollars come and go between the North and South in a year.²

There were two components of the North's enormous economic success. The first was simply the luck of having an agricultural region as successful as the South to do for. The South was vast, warm, fertile and productive. Southerners were as ambitious as Northerners and wanted to make money too. They did so with agriculture. It had been this way since Jamestown when colonists found they could make fortunes with tobacco, then later when the cotton gin made short-staple cotton profitable. Per capita income in the South, in the years before the war, was roughly the same as in the North. So, supplying the successful South with goods and services, and shipping for the South, gave Northerners jobs.

The second was the utterly unfair taxation of the South for the direct benefit of the North: 3/4ths of the federal treasury was supplied by the South, yet 3/4ths of federal tax revenue was spent in the North. It was mostly Southerners who had to pay the high tariffs that protected Northern businesses and industry. It was a direct transfer out of the South and into the pockets of Northerners.

In a frank editorial, "What Shall Be Done for a Revenue?" March 12, 1861, one month before the bombardment of Fort Sumter, the *New York Evening Post* writes:

*That either the revenue from duties must be collected in the ports of the rebel states, or the ports must be closed to importations from abroad, is generally admitted. If neither of these things be done, our revenue laws are substantially repealed; **the sources which supply our treasury will be dried up**; we shall have no money to carry on the government; the nation will become bankrupt before the next crop of corn is ripe. There will be nothing to furnish means of subsistence to the army; nothing to keep our navy afloat; nothing to*

pay the salaries of the public officers; the present order of things must come to a dead stop.³ (Bold emphasis added.)

Think about the American Revolution and the taxation without representation issue. Those taxes were minuscule compared to 1860 when millions of dollars per year were flowing straight out of the South and into the pockets of Northerners.

Those Northerners had not earned a penny of it. It was through government manipulation that they had managed to get monopoly status for most Northern industries and shipping, which killed competition and allowed Northerners to charge high rates. There was a protective tariff, and bounties and subsidies to Northern businesses that were like tax credits and payments from the federal treasury, even though most of the money *in* the federal treasury -- 3/4ths of it -- had come from the South.

The ***Report on the Causes of the Secession of Georgia*** stated it clearly:

The material prosperity of the North was greatly dependent on the Federal Government; that of the South not at all.⁴

The great Southern writer, William Gilmore Simms, knew the North well and concluded the same:

No doubt that, in one sense, they cherish the Union, but only as the agency by which they prosper in uncounted prosperity. It is to them, the very breath of life; it has made them rich and powerful, & keeps them so. No doubt they love the South, but it is as the wolf loves the lamb, coveting and devouring it.⁵

Southerners woke up one day and realized that they were being robbed blind and from then on, they would have no way to protect themselves. Henceforth in American history, the South would be outvoted by the North and any manner of confiscatory economic manipulation could and would continue. The North had four times the white voting population and the Republican Party had rallied them.

The governance of the entire country would now be by the North, for the North. George Washington had warned against sectional parties but Wendell Phillips proudly stated that the Republican Party was the party of the North pledged against the South.

Alexis de Tocqueville had predicted that if any one state gained enough power to control the government, it would make the rest of the country tributary to its power and would rule for its benefit. That's exactly what happened except it wasn't one state, it was the Northern States with their similar commercial interests.

This section from *The Address of the People of South Carolina, Assembled in Convention, to the People of the Slaveholding States of the United States* in December, 1860 explains precisely why the Southern States were now in the exact same position toward the North that the Colonies had been toward Great Britain:

The Revolution of 1776 turned upon one great principle, self-government - and self-taxation, the criterion of self-government. Where the interests of two peoples united together under one Government, are different, each must have the power to protect its interests by the organization of the Government, or they cannot be free. The interests of Great Britain and of the Colonies were different and antagonistic. Great Britain was desirous of carrying out the policy of all nations towards their Colonies, of making them tributary to her wealth and power.

The Southern States now stand exactly in the same position towards the Northern States that the Colonies did towards Great Britain. The Northern States, having the majority in Congress, claim the same power of omnipotence in legislation as the British Parliament. "The General Welfare," is the only limit to the legislation of either; and the majority in Congress, as in the British Parliament, are the sole judges of the expediency of the legislation this "General Welfare" requires. Thus, the Government of the United States has become a consolidated Government; and the people of the Southern States are compelled to meet the very despotism their fathers threw off in the Revolution of 1776. . . .

For the last forty years, the taxes laid by the Congress of the United States, have been laid with a view of subserving the interests of the North. The people of the South have been taxed by duties on imports, not for revenue, but for an object inconsistent with revenue

-- to promote, by prohibitions, Northern interests in the productions of their mines and manufacturers.⁶

The people of the Southern States are not only taxed for the benefit of the Northern States, but after the taxes are collected, three-fourths of them are expended at the North. This cause, with others, connected with the operation of the General Government, has made the cities of the South provincial. Their growth is paralyzed; they are mere suburbs of Northern cities. The agricultural productions of the South are the basis of the foreign commerce of the United States; yet Southern cities do not carry it on. . . . No man can, for a moment, believe that our ancestors intended to establish over their posterity, exactly the same sort of Government they had overthrown.⁷

All of this had started right after the Revolution when Northerners begged for federal protection for their industries to get them going so they could compete with Great Britain. Southerners had gone along with it out of the good feelings from winning the Revolution, and patriotism.

But, like Ronald Reagan said, the closest thing to eternal life is a government program and none of the measures protecting Northern industry ever ended. The North became dependent on them, like a drug addict, and clamored for more and more.

It was nothing but Northern greed for other people's money and it -- not slavery -- was the seed that grew into war. Texas Representative John H. Reagan told Northern representatives in early 1861:

You are not content with the vast millions of tribute we pay you annually under the operation of our revenue law, our navigation laws, your fishing bounties, and by making your people our manufacturers, our merchants, our shippers. You are not satisfied with the vast tribute we pay you to build up your great cities, your railroads, your canals. You are not satisfied with the millions of tribute we have been paying you on account of the balance of exchange which you hold against us. You are not satisfied that we of the South are almost reduced to the condition of overseers for northern capitalists.⁸

The most quoted phrase from the secession debate in the South in the months leading up to secession comes from the Declaration of Independence:

Governments are instituted among Men, deriving their just powers from the consent of the governed, That whenever any Form of Government becomes destructive of these ends, it is the Right of the People to alter or to abolish it, and to institute new Government, laying its foundation on such principles and organizing its powers in such form, as to them shall seem most likely to effect their Safety and Happiness.

Any government that forces a region to pay 3/4ths of the country's taxes then turns around and spends 3/4ths of the tax money in a different region for the benefit of those who demanded the taxes but pay little themselves -- is a thief and a far worse tyranny than Great Britain in 1776.

The federal government in 1860 did not have the consent of the governed in the South or any "just powers." It had become the enemy of nine million Southerners, just as Great Britain had become the enemy of three million colonists in 1776. There is not one iota of difference in 1776 and 1861.

That's why Northern-biased and politically correct "historians" are so determined to keep the focus on slavery as the cause of the war with the implication that Northerners are the good guys and Southerners the bad, even though slavery as the cause of the American War Between the States is one of the biggest frauds in world history, as noted by Charles Dickens, who was a contemporary.

Northerners don't want to be the British in the second American Revolution but they were. They were far worse.

Georgia Senator Robert Toombs created an apt metaphor -- a suction pump -- to describe the Northern confiscation of Southern money which was made up of

bounties and protection to every interest and every pursuit in the North, to the extent of at least fifty millions per annum, besides the

*expenditure of at least sixty millions out of every seventy of the public expenditure among them, thus making the treasury a perpetual fertilizing stream to them and their industry, and a suction-pump to drain away our substance and parch up our lands.*⁹

Henry L. Benning, nicknamed "Rock" and for whom the sprawling U.S. Army base, Fort Benning, near Columbus, Georgia is named,¹⁰ calculated the exact amount flowing through Toombs's suction pump:

*Eighty-five millions is the amount of the drains from the South to the North in one year, -- drains in return for which the South receives nothing.*¹¹

Benning argues that this \$85,000,000 -- a gargantuan sum in 1861 -- was not legitimately-earned profit but the extra *above* normal profit that Southerners had to pay because prices were higher than they should have been. Monopolies protecting Northern businesses and shipping exempted them from market competition therefore they had no incentive to keep costs down. They could charge what they wanted, and, of course, it was going to be as much as they could get.

When a customer needs a product but the government says you can only buy from one supplier -- you have to pay that supplier's price, even though a hundred suppliers might make the exact same product and charge half the price.

Say it's 1860 and you need a widget on your farm that costs \$50 from any of several different European companies.

You would have your choice -- but then the federal government steps in and says you can **ONLY** buy from Monopoly Company of the North and their price is \$175.

The \$125 difference is what Benning is talking about. It is unearned money sucked out of the South and deposited into the pockets of Northerners simply because the Northern owners of Monopoly Company of the North lobbied the federal government to grant them monopoly status.

The same thing happened with monopoly shipping rates.

The tariff worked similarly too. It allowed Northern businesses to ignore market competition and charge right up to the level of the tariff. The higher a tariff they

could get, through political manipulation, the more money that went into their pockets.

Preserving the Union, the North's money machine -- its suction pump, its cash cow -- was critical, not just desirable. As the Northern businessmen concluded: "The Union must be preserved. Any other outcome meant economic suicide,"¹² which meant bankruptcy, anarchy, and societal collapse. Lincoln and the Northern Congress understood this completely and agreed wholeheartedly, which is why they said over and over and over: The War Between the States is about preserving the Union, not ending slavery.

Slavery, obviously, is not why the North went to war. In the weeks before the bombardment of Fort Sumter, Northerners either bent over backwards to protect slavery or were virtually silent on the slavery issue -- but they were screaming at the threshold of pain about the impending economic catastrophe.

The prescient Benning asked a question which predicted the violent future with 100% accuracy:

*The North cut off from Southern cotton, rice, tobacco, and other Southern products would lose three fourths of her commerce, and a very large proportion of her manufactures. And thus those great fountains of finance would sink very low. . . . Would the North in such a condition as that declare war against the South?*¹³

These are the issues that caused the War Between the States. It had nothing whatsoever to do with slavery, especially not with any kindness on the part of the North toward black people, or desire by the North to end slavery. It was all about money, power and the ascendance of one region's economic interests over another's.

Charles Dickens, author of *A Christmas Carol*, *David Copperfield*, and so many other wonderful books, who is thought of as a literary colossus and the greatest novelist of the Victorian period, also published a periodical, *All the Year Round*. He was up on current events and horrified by the American war. He correctly identified it as a tariff war over economic issues and "Slavery has in reality nothing on earth to do with it."¹⁴

Dickens said the federal government compelled the South "to pay a heavy fine into the pockets of Northern manufacturers" so that "every feeling and interest on

the one side [South] calls for political partition, and every pocket interest on the other side [North] for union."¹⁵

Dickens said the North "having gradually got to itself the making of the laws and the settlement of the Tariffs . . . taxed the South most abominably for its own advantage" ¹⁶

He noted the hypocrisy of the North and its bad treatment of black people, and the South's right to secede:

*Every reasonable creature may know, if willing, that the North hates the Negro, and that until it was convenient to make a pretence that sympathy with him was the cause of the War, it hated the abolitionists and derided them up hill and down dale. For the rest, there is not a pin to choose between the two parties. They will both rant and lie and fight until they come to a compromise; and the slave may be thrown into that compromise or thrown out of it, just as it happens. As to Secession being Rebellion, it is distinctly provable by State Papers that Washington considered it no such thing -- that Massachusetts, now loudest against it, has itself asserted its right to secede, again and again -- and that years ago when the two Carolinas began to train their militia expressly for Secession, commissioners were sent to treat with them and to represent the disastrous policy of such secession, who never dreamed of hinting that it would be rebellion.*¹⁷

Dickens was adamant that "the quarrel between North and South is, as it stands, solely a fiscal quarrel" because "Union means so many millions a year lost to the South; secession means the loss of the same millions to the North. The love of money is the root of this as of many many other evils."¹⁸

Of course, it is the Northern love of other people's money that is the root of all evil Dickens is talking about. Southerners were simply trying to keep their money from being confiscated by the government and given to Northerners -- just as the Colonists were trying to keep their money from being confiscated by King George III and distributed throughout the British Empire. Every man and woman can understand that. Nobody wants their hard-earned money confiscated by the government and given to somebody else.

Dickens's famous biographer, Peter Ackroyd, used Scrooge's favorite word to describe the Northern lie later in the war that slavery was suddenly their reason for fighting even though the Emancipation Proclamation freed no slaves (or few), deliberately left close to a half-million in slavery in the five Union slave states, and left hundreds of thousands in slavery in captured Confederate territory. Ackroyd writes:

*The Northern onslaught upon slavery was no more than a piece of specious humbug designed to conceal its desire for economic control of the Southern states.*¹⁹

¹ Philip S. Foner, *Business & Slavery, The New York Merchants & the Irrepressible Conflict* (Chapel Hill: The University of North Carolina Press, 1941), 322.

² Thomas Prentice Kettell, *Southern Wealth and Northern Profits as Exhibited in Statistical Facts and Official Figures: Showing the Necessity of Union to the Future Prosperity and Welfare of the Republic* (New York: Geo. W. & John A. Wood, 1860; reprint: University: University of Alabama Press, 1965), 75.

³ *New York Evening Post*, March 12, 1861, "What Shall Be Done for a Revenue?", in Howard Cecil Perkins, ed., *Northern Editorials on Secession*, Vol II (Gloucester: Peter Smith, 1964), 598.

⁴ *Report on the Causes of the Secession of Georgia*, adopted by the Georgia Secession Convention, Tuesday, January 29, 1861, in the *Journal of the Georgia Convention, in The War of the Rebellion: A Compilation of the Official Records of the Union and Confederate Armies* (Washington: Government Printing Office, 1900; reprint, Historical Times, Inc., 1985), Series IV, Volume 1, 81-85.

⁵ William Gilmore Simms, "Antagonisms of the Social Moral. North and South.", unpublished 1857 lecture housed in the Charles Carroll Simms Collection of the South Caroliniana Library, University of South Carolina, Columbia, 38-42; hereinafter cited as "Antagonisms." Simms (1806-1870) had a brilliant literary career. There is a bust of him in White Point Gardens at the Battery in Charleston. Edgar Allan Poe said Simms was the greatest American writer of the 19th century. Simms wrote 82 book-length works in his career, 20 of which are very important in American history and literature. Simms understood the mind of the

North. His books had been published in the North. He knew the national publishing industry inside and out and had many friends and associates in the North.

⁶ "Duties on imports for revenue" and "a tariff for revenue" mean the same thing. They both refer to a small import tariff whose sole purpose is to generate the small amount of revenue needed to run the government. The paragraph above, to which this footnote belongs, points out the difference between a small tariff for revenue, which the South always wanted because they craved free trade, versus a high protective tariff designed to protect Northern industry from competition. A tariff is a penalty, it's punitive, thus a high protective tariff worked by making certain imported goods so expensive Southerners could not afford them and would have to buy from the North. To make matters more unfair, a tariff allowed Northerners to ignore market competition and simply charge what they wanted, up to the level of the tariff. A product which cost \$100 on the free market might cost Southerners \$400 by the time they paid the protective tariff or the jacked-up Northern price. This is exactly what is meant by "to promote, by prohibitions, Northern interests." Protective tariffs promoted Northern goods by putting cost prohibitions on any other goods. An additional outrage occurred if a Southerner decided to go ahead and buy an imported item and pay the tariff because 3/4ths of the money the Southerner had to pay would go straight into the pockets of Northerners. It is not hard to see the unfairness of this system nor why Southerners wanted free trade with the rest of the world. Southerners were in a **far** worse position versus the North than the Colonists had been with Great Britain in 1776. (Bold emphasis added.)

⁷ *The Address of the People of South Carolina, Assembled in Convention, to the People of the Slaveholding States of the United States*, in John Amasa May and Joan Reynolds Faunt, *South Carolina Secedes* (Columbia: University of South Carolina Press, 1960), 82-92.

⁸ John H. Reagan, "Speech of Representative John H. Reagan of Texas, January 15, 1861," in *Congressional Globe*, 36 Congress, 2 Session, I, 391, as cited in abridged version of Kenneth M. Stampp, ed., *The Causes of the Civil War*, 3rd revised edition (New York: Simon & Schuster, Inc., 1991), 89. Reagan served as Confederate Postmaster General and in Jefferson Davis's cabinet as one of Davis's most trusted advisors.

⁹ Robert Toombs, "Secessionist Speech, Tuesday Evening, November 13" delivered to the Georgia legislature in Milledgeville, November 13, 1860, in William W. Freehling, and Craig M. Simpson, *Secession Debated, Georgia's Showdown in 1860* (New York: Oxford University Press, 1992), 38.

¹⁰ Benning was a justice on the Georgia Supreme Court at the beginning of the war. He became one of Gen. Robert E. Lee's most able brigadier generals in the Army of Northern Virginia.

¹¹ Henry L. Benning, "Henry L. Benning's Secessionist Speech, Monday Evening, November 19," delivered in Milledgeville, Georgia, November 19, 1860, in Freehling and Simpson, *Secession Debated, Georgia's Showdown in 1860*, 132.

¹² Foner, *Business & Slavery*, 322.

¹³ Benning, "Henry L. Benning's Secessionist Speech, Monday Evening, November 19" in Freehling and Simpson, *Secession Debated, Georgia's Showdown in 1860*, 132.

¹⁴ The short quotations from Charles Dickens come from articles that are all quoted in Charles Adams, *When in the Course of Human Events, Arguing the Case for Southern Secession* (Lanham, MD: Rowman & Littlefield Publishers, Inc., 2000), 90-91: Charles Dickens, "The Morrill Tariff," *All the Year Round*, 28 December 1861, 328-330; "The American Tariff Bill," *Saturday Review*, 9 March 1861, 234-235; Dickens, "American Disunion," 411.

¹⁵ See Note 14.

¹⁶ See Note 14.

¹⁷ Charles Dickens, letter to W. W. De Cerjat, 16 March 1862, in Graham Storey, ed., *The Letters of Charles Dickens* (Oxford: Clarendon Press, 1998), Vol. Ten, 1862-1864, 53-54.

¹⁸ See Note 14.

¹⁹ Peter Ackroyd, *Dickens* (London, 1990), 271, as quoted in Adams, *When in the Course of Human Events*, 89.



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